

Jan 29, 1963  
Extension of Pension Payments by Re-  
tired U.S. Government Employees—  
H.R. 533

CONGRESSIONAL  
RECORD—HOUSE

EXTENSION OF REMARKS  
OF

HON. ABRAHAM J. MULTER

OF NEW YORK  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 29, 1963

Mr. MULTER. Mr. Speaker, on January 9, 1963, I introduced H.R. 533 to exempt from income tax, annuities, and pensions paid by the United States to its employees.

It has long been believed that most people should retire at 65 years of age. However, every day more and more people eligible for retirement refuse to quit

because they find that their pension will be inadequate to live on. Especially is this true for the Government employee who finds that his small annuity is further reduced by income taxes.

Anyone who retires on a pension or annuity of \$3,000, \$4,000, or \$5,000 will usually be forced to live on an income considerably less than his former income. Steadily rising living costs and the depreciation of the dollar will make life in the late years of life an even more unpleasant prospect. Therefore, the Government should not place further obstacles in the way by taxing the small income of these people during the declining years of their lives when their expenses are especially high. Rather, the Government should encourage its people to retire and take steps to insure financial independence in their old age. Exemption of Government employees' pension payments from the income tax will provide a long step in the right direction.

I do not urge that the Congress should restore to all annuitants the same purchasing power they once had, but it can and should allow them the same tax benefits that it allows others who draw pensions from the Federal Treasury. For example, pensions paid under the Railroad Retirement and Social Security programs are exempt from all Federal income taxes. As an illustration of how this discriminates against the retired Federal Government employee, I call attention to the fact that while a retired railway worker enjoys this tax relief for his pension, the retired railway postal employee who may have worked right beside him enjoys no such relief. This discrimination cannot be justified. Therefore, my proposal is introduced to promote equity where there is need for it.